Shortage of Currency Notes in the Country

*366. DR. NARREDDY THULASI REDDY:
SHRI SANTOSH BAGRODIA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item appearing in the Hindustan Times, New Delhi of the 24th November, 1991 in which it has been stated that the country is bound to face shortage of currency notes of denomination of Rs. 50, Rs. 100 and Rs. 500;

(b) if so, what are the reasons therefor; and

(c) what remedial measures have been taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, sir.

(b) The two existing note printing presses at Nasik and Dewas do not have adequate production capacity to fully meet Reserve Bank India's demand for fresh notes.

(c) The following remedial measures have been taken by Government for bridging the gap between demand and supply:

(i) The existing two note printing presses at Nasik and Dewas have been put on two shift working of 11 hours each since 1984.

(ii) Printing of Rs. 500 denomination notes has been resumed.

(iii) Earlier Nasik Press was printing lower denomination notes i.e. upto Rs. 10 only. It has now taken up printing of Rs. 50 and Rs. 100 denominations.

(iv) A decision has been taken to coinize Rs. 1, Rs. 2 and Rs. 5 in a phased manner and to divert the capacity so released for printing of higher denomination notes.

(v) RBI has issued instructions to all the banks maintaining currency chests to sort out notes available with them into re-issuable and non-issuable and to issue to public and other banks re-issuable notes along with fresh notes.

(vi) Government have decided to set up two new note printing presses with combined annual production capacity of about 10,000 million pieces—one at Salboni in West Bengal and the other at Mysore in Karnataka under the aegis of RBI.

Rupee-Rouble exchange rate

*367 SHRI KAPIL VERMA:
SHRIMATI BASANTI SARMA:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the statement of the Chief of USSR Trade Mission in India that the Rupee Rouble exchange rate does not have any impact on Indo-Soviet trade rate:

(b) if so, what is government's reaction thereto;

(c) what is the present position of the Rupee Rouble exchange rate; and

(d) what is Government's reaction to the statement of the Chief of the USSR Trade Mission that the new decreased rate of Rouble cannot be applied to long term Soviet credit?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) The Government does not agree with the views expressed in the Article. The fixation of the Rouble-Rupee rate without their relative linkage to convertible currencies has had an adverse impact by enhancing the credit repayments through exports.

(c) The present rate is: 1 Rouble = Rs. 31.7874.